

The Fresno Bee

Enerkem Announces Plans To Enter The United States With Next-Generation Biofuels Project In Mississippi - Thursday, Mar. 19, 2009

Project will allow the recycling and conversion of 60% of Three Rivers region's waste material.

MONTREAL, March 19 /PRNewswire/ - Enerkem Inc., a leading advanced biofuels and green chemicals technology company, today announced its plans to build and operate a second-generation biofuels production facility located in Pontotoc, Mississippi, USA. In addition, the company announced the signature of a Memorandum of Intent with the Three Rivers Solid Waste Management Authority of Mississippi (TRSWMA) for the supply of approximately 189,000 tons of unsorted municipal solid waste (MSW) per year for use as feedstock at the Pontotoc facility.

Plans call for the plant to be built, owned and operated by Enerkem Mississippi Biofuels, a wholly-owned subsidiary of Enerkem. It is expected to produce 20 million gallons per year of next-generation ethanol using a mix of feedstock comprised of wood residues from regional forest and agricultural operations, as well as urban biomass such as municipal solid waste, construction and demolition debris, and treated wood. In addition to the biofuels production facility, the investment includes an upstream municipal solid waste recycling and pre-treatment center. The total project represents a US\$250 million investment. The Enerkem process will recycle and convert approximately 60% of the MSW that crosses the gate at the Three Rivers landfill. The majority of the MSW will be converted into biofuels and the remainder will be distributed to recycling processors. The overall project is expected to create 150 long-term direct and indirect jobs, and to generate an additional 300 jobs during the construction and start-up phases.

"We are pleased to collaborate with the northern Mississippi community on building an unprecedented advanced biofuels project. The project, our first in the United States, will leverage the expertise we've gained both at our large-scale pilot facility and at our first commercial plant," said Vincent Chornet, President and Chief Executive Officer of Enerkem. "This project is unique in that it uses a mix of municipal solid waste - which has negative cost - and wood residues as feedstock, allowing Enerkem to achieve substantial commercial scale and favorable economics."

Enerkem is working closely with the Three Rivers Planning and Development District, which is responsible for the administration of the Three Rivers Solid Waste Management Authority landfill site in Pontotoc, Mississippi, where the facility would be located. Enerkem and TRSWMA have signed a Memorandum of Intent and are in the process of negotiating final financial and binding agreements. The company is also developing strong ties with local organizations and associations including the Mississippi State University, which will be collaborating on future R&D efforts with Enerkem, the Mississippi Loggers Association, the Mississippi Development Authority and the Mississippi Technology Alliance.

"We are very excited by this project as it will create green jobs, contribute to the rural economy in northern Mississippi and give us the opportunity to become an important player in the next-generation biofuels industry, while enabling the local governments of the Three Rivers region to provide major recycling at no additional cost to its citizens", said Randy Kelley, Executive Director of the Three Rivers Planning and Development District. "This biofuels facility will also provide environmental benefits by transforming our municipal solid waste into a locally produced green fuel."

Enerkem has designed a technology platform that is feedstock-flexible and can produce an array of valuable advanced transportation fuels, green chemicals and renewable electricity. Enerkem's renewable fuels represent a new technology path towards environmentally friendly energy, contributing to the reduction of greenhouse gas emissions by using materials that would otherwise produce methane when landfilled, and by producing a renewable fuel for cars, buses and trucks. Unlike first-generation biofuels, or agrofuels, which are produced from sugar-rich crops such as corn and sugar cane, Enerkem's second-generation biofuels are produced from biomass and waste materials.

About Enerkem

Enerkem (www.enerkem.com) is leading the development and production of next-generation biofuels and green chemicals with its unique gasification, sequential gas conditioning and catalysis technology capable of using a mix of feedstock such as sorted municipal solid waste, forest biomass and agricultural residues. The company is headquartered in Montreal, Quebec, and has engineering offices in Sherbrooke, Quebec. It has a pilot plant in operation since 2003 in Sherbrooke, Quebec. Its first commercial-scale ethanol plant based in Westbury, Quebec, is in its start-up phase and the company will soon begin the construction of a third plant in Edmonton, Alberta, that will transform sorted household waste into biofuels. Enerkem is a private company financed by leading US venture capital firms Rho Ventures and Braemar Energy Ventures, the Canadian investment fund BDR Capital and the Company's management.

SOURCE Enerkem Inc.